

SPECIAL DISTRICTS

Greater Vallejo Recreation District 2003-2004 Grand Jury Report

I. Reason For Investigation

The Greater Vallejo Recreation District (GVRD) response to the 2002-2003 Solano County Grand Jury Final Report regarding their operation and policies relating to the November 2000 ballot initiative to establish an additional special assessment to support the GVRD was vague and non-explanatory. Therefore, based on the 2002-2003 Grand Jury recommendations, the 2003-2004 Grand Jury decided to initiate an investigation based on the apparent non-compliance to the 2002-2003 Grand Jury Final Report.

II. Procedure

Reviewed:

- 2002-2003 Solano County Grand Jury Final Report
- GVRD operating policies and procedures
- 1998 through 2001 audits
- GVRD formation history
- Solano County Local Agency Formation Commission Procedures (LAFCO)

Interviewed:

- City of Vallejo Mayor
- LAFCO Executive Officer
- GVRD Board of Directors Chairperson
- Solano County Board of Supervisors

III. Background

1. On August 21, 2003, GVRD responded to the 2002-2003 Grand Jury Final Report. Their response stated that the Board of Directors “were taking steps to implement the recommendations applicable to the District as set forth in the Grand Jury’s Report”.

2. On September 19, 2003, the 2003-2004 Grand Jury requested more detail on what and how the recommendations were to be implemented.

3. On November 4, 2003 the 2003-2004 Grand Jury notified the GVRD of their non-compliance of not responding to the September 19, 2003 letter.

4. On November 11, 2003, GVRD responded to the September 19, 2003 Grand Jury letter with a detailed response.

5. On November 21, 2003, the 2003-2004 Grand Jury requested additional information, including copies of audits from 1998 through 2001, district formation information and policy and procedures that govern the board and general manager.

6. On December 4, 2003, the GVRD responded to the 2003-2004 Grand Jury letter dated November 21, 2003. Additional information regarding the audits was requested on December 5, 2003.

7. On January 4, 2004, GVRD provided the additional information regarding audits.

8. On January 22, 2004, the Grand Jury interviewed the City of Vallejo Mayor to discuss the feasibility of putting the services provided by the GVRD under the direct authority of the City of Vallejo.

9. On February 2, 2004, the Grand Jury interviewed the Executive Director of LAFCO to discuss the procedures to dissolve a special district.

10. On February 12, 2004, the Grand Jury interviewed the GVRD Board Chairperson to discuss the actions taken by the board which addressed the findings of the 2002 – 2003 Grand Jury Final Report.

11. On February 13 and 19, 2004, the Grand Jury interviewed members of the Solano County Board of Supervisors to discuss issues relating to the most efficient and effective methods to provide park and recreation services to residents within the GVRD defined area.

12. The GVRD was formed under the State of California Government Code §16271 [d] in 1944. At that time, Vallejo was a much smaller city and it was determined that the best method to provide Parks and Recreation needs in the Vallejo area was by way of a special district. Therefore, special tax assessments were imposed on those in the defined district area which included Vallejo residents and those who resided in unincorporated areas.

13. Sixty years have passed since the inception of the GVRD. Now, over ninety percent of the users of the district are residents of the City of Vallejo and almost all of the original unincorporated area of the district has been annexed by the City of Vallejo.

14. When the service area of a district changes, LAFCO guidelines provide procedures (56056) to determine the appropriate action to deal with the change. When the district area becomes entirely within the boundaries of a city, a merger (57104) may take place which eliminates the district and gives authority to the city. If 70% or more of the district area is within the city, a subsidiary district (57105) may be established which may also be administered by the city.

IV. Findings And Recommendations

Each paragraph is referenced to the background paragraph number

Finding #1 - GVRD's response to the 2002-2003 Final Report was vague, lacking details relating to the findings and recommendations. (1)

Recommendation #1- As stated in the Grand Jury Final Report, the responding agency must state one of four actions taken:

1. What has been implemented with summary of action?
2. What has not been implemented, but will be and with a plan?
3. Recommendations require additional study, which will not exceed six months.

4. If recommendation(s) will not be implemented with explanation.
GVRD should respond accordingly as ignoring this legal requirement shows a disregard for the law and the Grand Jury and results in an unproductive use of the Grand Jury time. (1)(2)(3)

Finding #2 - The GVRD finally acknowledged the findings of the 2002 – 2003 Grand Jury Final Report and satisfactorily implemented policy and procedures and addressed the recommendations of the 2002-2003 Grand Jury Final Report. (4)

Recommendation #2 – Responses to Grand Jury reports must be made in a timely manner in accordance with the law.

Finding #3 - Audits for 1998 through 2002 were performed by the same independent auditor. There were various miscellaneous administrative financial deficiencies listed each year, sometimes for consecutive years with no apparent action to make corrections. (5)(6)(7)

Recommendation #3 - The GVRD Board and senior management should review the findings and recommendations of the auditor and when possible, implement as recommended. The Board should consider using different auditors or the services of the County of Solano.

Finding #4 - The GVRD was established by a vote of the people and legally authorized on June 14, 1944 and placed under authority of an advisory board. On December 23, 1958 the Solano County Board of Supervisors became the supervising authority to which the existing Board of Directors is responsible. The Board consists of three members appointed by the Mayor of Vallejo and two members recommended by supervisors from Districts 1 and 2 and approved by the Board of Supervisors.

During the time of the formation of the GVRD, population growth in unincorporated areas was growing dramatically, which spurred the development of parks, recreation, fire, water and other type districts as cities were much smaller and unable to provide such services. But, as city boundaries expanded, so did their ability to provide services. However, as city boundaries began to expand, they became able to provide additional services and the need for a district within a city began to decrease, especially when the majority of constituents serviced were within the sphere of influence of the city. Comparative cities within Solano County providing similar services are Benicia, Fairfield and Vacaville.

Further exploration of districts within cities finds redundant costs in areas such as legal services, payroll, purchasing, human resources, equipment and maintenance. (12)(13)(14)

Recommendation #4 - During the time when the GVRD was developed (1944), it was established as the best method to provide parks and recreational needs in the Vallejo area by way of a special district. However, almost 60 years have passed and much has changed. Therefore, the 2003-2004 Grand Jury recommends that the City of Vallejo and the GVRD jointly determine the most efficient and effective method to deliver parks and recreation services to citizens in the current GVRD area. This determination and any action that may change the GVRD are within the guidelines set forth by LAFCO.

When conducting this evaluation, the following LAFCO criteria should be considered:

1. Does the district tailor its services better than a city?
2. Does the district link its costs to benefits better than a city?
3. Is the district more responsive to its constituents than a city?

4. Are there inefficiencies or redundancies?
5. Is a district more accountable than a city?
6. What are the funding mechanisms and would a change reduce existing services?
7. Refer to LAFCO's District Mergers and Establishment of Subsidiary District Procedures Guide

It is understood that this will require a major effort on the part of all affected agencies.

Finding #5 – Failure to respond in a timely manner to the Grand Jury is not acceptable. (3)

Recommendation #5 - Within the required guidelines of responding to the 2003-2004 Grand Jury Final Report, all agencies provide the 2004-2005 Grand Jury with a report of their findings with a schedule of implementation where applicable.

V. Comment

The 2003-2004 Grand Jury recommends that the 2004-2005 Grand Jury and all successive Grand Juries follow-up on the investigation of the prior Grand Jury until all of these issues are resolved.

VI. Affected Agencies

- Solano County Board of Supervisors
- City of Vallejo
- Greater Vallejo Recreation District
- Local Agency Formation Commission